



Human Resources Division
P.O. Box 942718
Sacramento, CA 94229-2718
Telecommunications Device for the Deaf - 711
(916) 795-3065 FAX - (916) 795-4001

May 13, 2008

AGENDA ITEM 3

TO: MEMBERS OF THE PERFORMANCE AND COMPENSATION COMMITTEE

- I. SUBJECT:** Third Quarter Status Reports on Performance Plans of the Chief Executive Officer, Chief Actuary, General Counsel, Chief Investment Officer and His Direct Reporting Staff
- II. PROGRAM:** Administration
- III. RECOMMENDATIONS:** Recommend the Board Accept Third Quarter Status Reports on the Performance Plans of the Chief Executive Officer, Chief Actuary, General Counsel, Chief Investment Officer and His Direct Reporting Staff

Recommend the Board Accept Changes in the Performance Plans of the Chief Actuary and General Counsel

IV. ANALYSIS:

The Compensation Policies and Procedures provide that, following the end of each quarter in the fiscal year, executives will prepare short status reports on their respective performance plans for the Performance and Compensation Committee. Attached are the quarterly status reports for the third quarter of the 2007-2008 Fiscal Year for the Chief Executive Officer, Chief Actuary, General Counsel, Chief Investment Officer, Chief Operating Investment Officer and the Senior Investment Officers.

Quarterly status reports provide a means for informing the Committee of progress toward achieving the quantitative and qualitative measures in the performance plans. If needed, performance measures may be added, amended or deleted as part of the quarterly review process.

The performance plans of the Chief Actuary and General Counsel are affected by the adoption of a schedule change within the Pension System Resumption Project. One change is requested for both performance plans, as the milestone date for completion of the General System Design Phase of the project has been changed from March 31, 2008 to May 31, 2008. The proposed changes are attached for approval.

V. STRATEGIC PLAN:

Under Goal V of the Strategic Plan, CalPERS is committed to sustaining a high performance work culture. This can be accomplished at the highest executive levels through the establishment of methods that provide broad flexibility in the recruitment, retention and compensation of key personnel.

VI. RESULTS/COSTS:

The establishment of performance plan measures is critical to the management of a competitive compensation program for executives at the highest levels of the organization. This, in turn, is critical to the success of the organization. The cost of performance awards that might arise from the recommendations in this item will be funded from existing resources.

Chris O'Brien, Chief
Human Resources Division

Gloria Moore Andrews
Deputy Executive Officer - Operations

Attachments

**Quarterly Incentive Plan Status Reports
Third Quarter 2007-2008 Fiscal Year**

The FY 2007-08 third quarter status reports are presented in the following order:

<u>Position</u>	<u>Current Incumbent</u>
Chief Executive Officer	Fred Buenrostro
Chief Actuary	Ron Seeling
General Counsel	Peter Mixon
Chief Investment Officer	Russell Read
Chief Operating Investment Officer	Anne Stausboll
Senior Investment Officer, Alternative Investments	Leon Shahinian
Senior Investment Officer, Asset Allocation	Farouki Majeed
Senior Investment Officer, Fixed Income	Curtis Ishii
Senior Investment Officer, Global Equities	Position Vacant
Senior Investment Officer, Real Estate	Ted Eliopoulos